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UPDATES REGULATIONS ON ELECTRONIC CERTIFICATE OF PERSONAL INCOME TAX WITHHOLDING

According to Decree No. 123/2020/ND-CP dated 19 October 2020 regulating invoices and certificates, Circulars No. 78/2021/TT-BTC dated 17 September 2021 guiding the implementation of Decree No. 123/2020/ND-CP, Official Letter No. 2455/TCT-DNNCN providing guidelines on invoice and electronic tax certificates, RSM Vietnam would like to provide several regulations on registration for usage of electronic certificate of Personal Income Tax ("PIT") withholding as below:

1. Issuance time of Certificate of PIT withholding

According to Article 31, Decree No. 123/2020/ND-CP dated 19 October 2020 regulating invoices and certificates, at the time of Personal Income Tax withholding, income-payer organizations are required to issue Certificate of PIT withholding and hand-over to employees having tax withheld.

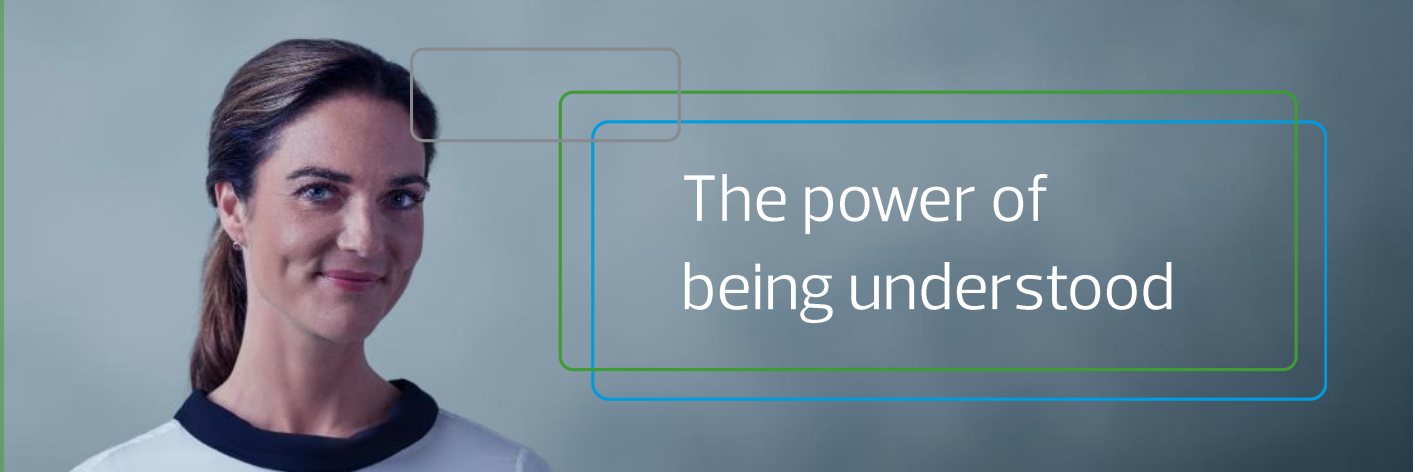
2. Usage of electronic Certificate of PIT withholding

- According to Article 33, Decree No. 123/2020/ND-CP, organizations withholding employees' tax are not required to register, notify the issuance, transfer data to Tax Department. The organization builds a software system to use electronic certificates to secure mandatory contents as prescribed in Clause 1, Article 32, Decree 123/2020 ND-CP
- Before developing electronic certificates of PIT withholding, organizations (including Tax Department) can use the self-printing certificates of PIT withholding
- From 01 July 2022, Tax Department shall not issue paper certificate of PIT withholding (printed by the Tax Department). For organizations still remain paper certificates of PIT withholding, they will continue to use the paper certificates
- Income-payer organizations directly submits application for issuance of certificate of PIT withholding Tax Department via portal <https://thuedientu.gdt.gov.vn>

3. Required content of electronic certificates of PIT withholding

Income-payer organizations develop software system to issue electronic certificate of PIT withholding. A proper certificate under prevailing regulation must include the following contents:

- Name, form number, reference number and ordinal number certificate of PIT withholding
- Name, address, tax code of applicant (the income-payer organizations)
- Name, address, tax code of taxpayer (if available)
- Nationality (if taxpayer is not Vietnamese citizen)
- Taxable income, time of income payment, total taxable income, PIT amount deducted, income received
- Date of the certificate of personal income tax withholding
- Full name, digital signatures of income-paying organizations with using electronic certificate of PIT withholding



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4. Storage and retention

- To ensure the safety, security, integrity, completeness, avoidance of any change or deviation during the retention period
- Store and retain for a minimum period of 10 years; and
- Store and retain by electronic software suitable with the operations and capacity to apply information technology and ready to print out to paper version or look up upon request

5. Effective period

- Decree No. 123/2020/NĐ-CP on 19 October 2020 effective from 01 July 2022 suggests organizations, individuals having information technology infrastructure to apply regulations on electronic invoices, certificate of PIT withholding
- Effective from 01 July 2022, organizations having paper Certificate of PIT withholding can convert to use electronic certificates
- Before 30 June 2022, income-payer organizations use the below certificates of PIT withholding:
 - Paper certificate of PIT withholding granted by management Tax Authority (Decision No. 102/2008/QĐ-BTC); or
 - Self-printing certificate of PIT withholding (Circular No. 37/2010/TT-BTC)

6. Transition of certificates of tax withholding

- Before 01 July 2022, income-payer organizations use certificate of PIT withholding (under the Form CTT56) in form of:
 - Self-printing certificates (i.e. No. AB/2010/T) according to Circular No.37/2010/TT-BTC dated 18 March 2010 of Ministry of Finance guiding the issuance, use, and management certificates of certificate of PIT withholding on computers (and the amended and supplemented version of Decision No. 814/QĐ-BTC dated 15 April 2010); or
 - Paper certificates printed by Tax Authority (i.e. No. AB/2011) in accordance with Decision No. 102/2008/QĐ-BTC dated 12/11/2008 of Minister of Finance on the promulgation of certificates of PIT withholding
- In case PIT-deducting organizations meet requirements on information technology infrastructure, they can apply to use electronic certificates of PIT withholding according to Decree No.123/2020/ND-CP and implement the registration and use procedures according to Circular No. 37/2010/TT-BTC dated 18 March 2010 of Ministry of Finance

To ensure compliance with the changing and updates of Personal Income Tax regulations, RSM Vietnam would like to provide service regarding to registration for usage of electronic Personal Income Tax withholding to the Clients. Should you have any queries on this matter, please do not hesitate to contact us.



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